

Message Text

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56

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 /032 W

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R 061513Z JUL 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 2674

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY ROME

USMISSION EC BRUSSELS

UNCLAS PARIS 19616

E.O. 11652: N/A

TAGS: PLAB, FR

SUBJECT: MINIMUM WAGE RATE

REF: A. PARIS 01732; B. PARIS 10101

1. EFFECTIVE 1 JULY THE MINIMUM WAGE (SMIC) WAS RAISED TO 8.58 FRANCS PER HOUR, FROM 8.08 FRANCS PER HOUR, REPRESENTING AN INCREASE OF 6.2 PERCENT. THIS GIVES A MINIMUM MONTHLY RATE OF 1,575.40 FRANCS BASED ON 41.9 HOURS OF CURRENT AVERAGE WORKWEEK.

2. COMMENT: THE TERMS OF REFERENCE FOR FIXING MINIMUM WAGE RATES WOULD HAVE ALLOWED THE NEW RATE TO GO AS HIGH AS 8.71 FRANCS PER HOUR INSTEAD OF 8.58 AGREED UPON BY THE HIGHER COMMISSION FOR COLLECTIVE AGREEMENTS. THIS REFLECTS A CONCERN ON THE PART OF GOF AND EMPLOYERS LEST THE SMIC RATE BECAME INFLATION-ARY SINCE INEVITABLY IT CAUSES AN UPWARD PUSH OF HIGHER SALARIES. THIS WAS THE FIRST TIME IN RECENT YEARS THAT THE EVOLUTION OF SMIC WAS DELIBERATELY SLOWED DOWN. HERETOFORE THE GOF POLICY WAS TO USE THE SMIC MECHANISM IN ITS POLICY TO REDUCE THE GAP BETWEEN LOWER PAID CATEGORIES OF LABOR

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AND THOSE AT THE TOP. FEAR OF INFLATION CAN HAVE

A RESTRAINING INFLUENCE ON THE BEST AND NOBLEST
INTENTIONS.
RUSH

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NNN

Message Attributes

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